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Chronological Outline of
Events and Situations in OPA History

To July 1, 1943

By

Historical Records Office

Robert E. Stone, Director

Office of Price Administration

Washington, D. C.

January 1944

Purposes of This Outline

1. The Office of Price Administration was set up to expand supply, ration scarce commodities equitably, keep prices from soaring, and thereby aid the war, avoid hardships, reduce unemployment, promote morale, and diminish the amount of sacrifice necessary for the war effort. This outline reveals the great efforts OPA has made to accomplish these objectives, the partial successes, the repeated failures, and the general advance to date. It is an account of a mighty organization, directed towards achieving great ends, fighting through endless opposition and to date surmounting most difficulties. Those who have fought valiantly and may at times feel weary ought to be inspired upon glancing over the achievements listed herein.

2. Many of the individual topics listed in this outline represent a story of action and of courage with tremendous consequences. They may affect a phase of the war, a segment of industry, a time-honored method of distribution or a way of living for thousands or millions. Sometimes the result is as planned and at other times is an unpredicted surprise. It is hoped this list will inspire many who have been or now are with OPA to put on paper what they know about programs within their own experience before the threads of recollection become broken or wear too thin.

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CHRONOLOGICAL OUTLINE OF

EVENTS AND SITUATIONS IN OPA HISTORY

To July 1, 1943

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A. Pre-Fall of France Period: Thought and Activity in the Fields of Price Stabilization and Consumer Protection Prior to May 29, 1940.

1. Studies on wartime price control and consumer protection.
 - a. General theory as found in textbooks and in monographs of social scientists and research institutions.
 - b. Studies of the Army Industrial College.
 - c. Hearings of the War Policies Commission, created by Joint resolution of Congress, June 27, 1930, Pub. Res. No. 98, 71st Congress. 4 vols., Government Printing Office.
 - d. Industrial Mobilization Plan of the War Policies Commission, 1931, and revisions of 1933, 1936, and 1939.
 - e. Contributions of Bernard M. Baruch through his history of the War Industries Board of World War I, articles on "Taking the Profit Out of War," testimony before and memoranda submitted to the War Policies Commission, and personal interviews with the President, Leon Henderson, and others.
 - f. Studies of NRA experiences.
 - g. Reports of and monographs prepared for the Temporary National Economic Committee, June 13, 1938 to March 11, 1941.
 - h. Report of the Stettinius War Resources Board.
 - i. Activities of consumer groups, labor unions, etc.
2. Foreign and World War I Experiences.
 - a. Reports of British, German, Canadian, French, Italian, and other national experiences.
 - b. Records of American economic or price activities for World War I
3. Activities of Congress and the President, Note the following:
 - a. Act for Protection and Preservation of the Domestic Sources of Tin. Act of Feb. 15, 1936, Section 2, 49 Stat. 1140, 50 USC Supp. 87.
 - b. Acquisition and Development of Strategic Raw Materials Act. Act of June 7, 1939, C. 190, Section 1-7, 53 Stat. 811, 812.
 - c. Proclamation Declaring a Limited National Emergency. September 8, 1939, 3 C. F. R. 1939 Supp. p. 59.

B. Emergence of Features of a National Program, May 29, 1940 to April 11, 1941

1. National Defense Advisory Council.

- a. Members nominated by the Council of National Defense, as provided for in section 2 of chapter 418 of the law of August 29, 1916 (39 Stat. 649), 5 F.R. 2381. Nominations approved by the President May 29, 1940, 5 F.R. 2114. Section 701.4 added, June 6, 1940, 5 F.R. 2381.
- b. Background and objectives.
- c. Organization, type of personnel, activities.
- d. Its achievements, its failures, and reasons therefor.

2. Division of Price Stabilization of the National Defense Advisory Council.

- a. Establishment of the division and appointment of Leon Henderson as adviser.
- b. Organization of the division.
- c. Type of personnel recruited.
- d. Henderson's attitude toward the production program.
- e. Activities of the division.
 - i. Price trend studies.
 - ii. Price considerations in negotiation of contracts for defense production.
 - iii. Drafting of the Emergency Plant Facilities Contract.
 - iv. Draft of and subsequent enactment by Congress of the Assignment of Claims Act of October 9, 1940.
 - v. Establishment of a procedure in cooperation with the Department of Justice to permit industry to cooperate with Government without becoming subject to prosecution under the anti-trust laws.
 - vi. Special assistance and advice on procurement made available to the Army.
 - vii. Encouragement of imports of copper and nitrates.
 - viii. Stimulation of means for increasing the supply of non-ferrous metals, as an aid to maintaining normal price levels.
 - ix. Efforts to place an embargo on steel scrap, as a method for reducing shortage and controlling prices.

- x. Averting a threatened rise in shipping costs of West Coast lumber.
- xi. Ending of speculative market in paper by publication of production figures.
- xii. Partial failure of attempt to control lumber and chemical prices by use of only exhortations or warnings.
- xiii. Informal agreements with industry as a method of price control.
- xvi. Evolution of formal controls with the establishment of the following price schedules:

<u>Commodity</u>	<u>Issued</u>	<u>Effective</u>
1. Second-hand machine tools	Feb. 17, '41	Feb. 17, '41
2. Aluminum scrap and secondary aluminum ingot	Mar. 24, '41	Mar. 24, '41
3. Zinc scrap and secondary slab zinc	Mar. 31, '41	Mar. 31, '41
4. Iron and steel scrap	Apr. 2, '41	Apr. 3, '41
5. Bituminous coal	Apr. 2, '41	Apr. 3, '41
(Order of revocation)	May 1, '41	May 1, '41

- xv. Problems of correspondence, education and enforcement produced by inauguration of price schedules.
- xvi. Development of practice of conferring with industry before taking action. Other procedures explored to assure industry of a hearing and the other essentials of due process.
- xvii. Study of need for a statement of considerations as a method of giving reasons for a regulation.
- xviii. Exploration of methods of enabling parties adversely affected by a price ceiling to obtain corrections by filing of protests, petitions for amendment, and applications for adjustment.
- xix. Attempt to draft an effective, constitutional and acceptable price control law.
- f. Cooperation between lawyers and economists in working out all plans, though the two groups were organizationally distinct.
- g. Accomplishments of the division and evaluation of its activities.
- 3. Division of Consumer Protection of the National Defense Advisory Council.
 - a. Establishment of the division and appointment of Miss Harriet Elliott as director.

- b. Objectives and organization; effect of lack of Presidential direction to give weight and guidance to the division.
 - c. Efforts to consolidate activities of other agencies.
 - d. Efforts to participate in policy determinations in order to minimize the effects of war production on the consumer.
 - e. Development of consumer group activity.
 - f. Rent control studies and surveys. Preparation, in cooperation with housing officials, of Suggested Emergency Fair Rent Bill for adoption by the States. Decision to establish Fair Rent Committees in areas rising rents.
 - g. Evaluation of its program, particularly in respect to:
 - i. Efforts to maintain normal consumer production at time of mounting military output.
 - ii. Working relations, if any, of various consumer groups and agencies.
4. \$12,000,000,000 defense program, with expenditures at the rate of \$200,000,000 per month, launched in July 1940.
- a. First Supplemental National Defense Appropriation Act, passed June 2, 1940; followed by the second on September 9 and the third on October 1, 1940.
 - b. Office for the Coordination of National Defense Purchasing, established by order of the Council of National Defense on June 27, 1940, 5 F.R. 2446; revoked by similar order January 7, 1941, 6 F.R. 253.
5. The Vinson Act, from which stems much of the authority for the activities of the War Production Board, the Office of Price Administration, and their predecessors.
- a. Act of June 28, 1940, 54 Stat. 676.
 - b. Frequently amended to give the Executive greater powers of allocation of material, and eventually to permit the Government to requisition. See the amendments of October 10, 1940; May 31, 1941; October 16, 1941.
6. Export control and Lend-Lease.
- a. Export Control Act. Act of July 2, 1940, Section 6, 54 Stat. 714; 50 App. USC 701. See also the proclamation of the President, July 2, 1940, 5 F.R. 2467.
 - b. Export Control Regulations, issued by the President at various times during 1940; also two Executive Orders:
 - E. O. 8617, issued December 20, 1940, 5 F.R. 5230
 - E. O. 8640, issued January 15, 1941, 6 F.R. 455
 - c. Lend-Lease. An Act to Promote the Defense of the United States. Act of March 11, 1941, C 11, 55 Stat. 31; USC Title 22, Sections 411-414.

7. War Production Board's antecedents.

- a. The Priorities Board, appointed by the Council of National Defense to perform functions created by Section 2a of the Vinson Act and granted to this board by two Executive Orders:

E. O. 8572, October 21, 1940, 5 F. R. 4199

E. O. 8612, December 15, 1940, 5 F. R. 5143, also 5218

- b. The Office of Production Management, established by E. O. 8629, January 7, 1941, 6 F. R. 191, in which Section 5 transferred the functions of the Priorities Board to the OPM. On the reassignment of these functions to the Supply Priorities and Allocations Board by E. O. 8875, August 28, 1941, see Section D below.

8. Other developments.

- a. Development of economic thought amongst economists and business men.
- b. Consumer group and union activities.
- c. Techniques developing abroad for control of prices and the protection of the consumer.

C. Office of Price Administration and Civilian Supply, April 11, 1941 to August 28, 1941

1. Established by E. O. 8734, April 11, 1941, 6 F.R. 1917.
2. Reasons for a changed form of organization.
 - a. Unparalleled increases in production of military and civilian goods, accompanied by threats of inflation.
 - i. Defense expenditures up from \$200,000,000 per month in July 1940 to \$1,000,000,000 per month by April 1941.
 - ii. \$35,000,000,000 defense appropriations by April 1941.
 - iii. Lend-Lease activity particularly significant in making evident the danger of a price rise.
 - iv. Abrupt rise of prices in February 1941.
 - b. National Defense Advisory Council not sufficiently malleable for direction of total mobilization.
 - c. OPM under business-military dominance not calculated to set up adequate safeguards for price stabilization and consumer protection.
3. Objectives sought to be attained by a separate agency.
 - a. Proposals of John E. Hamm and David Ginsburg.
 - b. Proposals of Bureau of Budget, OPM, and others.
4. Authority and powers delegated to OPACS and their use by OPACS.
 - a. Studies to be made by Tariff Commission. Section 336(a) of Title III of Tariff Act of 1930 (Title 19 USC, Sec. 1336(a)).
 - b. Transportation priorities to be established through the Interstate Commerce Commission. Section 1(15) of Title 49, USC, Act of October 10, 1940, Pub. No. 829, 76th Congress.
 - c. Use of the "draft industry" provision of the Selective Service Act of 1940. Section 9 of Selective Service Act of 1940, Pub. No. 783, 76th Congress.
 - d. Procurement of war material and mobilization of industry under National Defense Act of 1916, Section 120 of National Defense Act, USC, Title 50, Section 80.
 - e. Control over stockpiles of strategic materials under authority of Reconstruction Finance Corporation, Commodity Credit Corporation, and Procurement Division of the U. S. Treasury Department. Section 713(a)-7 of Title 15, USC Supp.V, Act of August 11, 1939, C 690, 53 Stat. 1407.
Section 4 of Act of July 7, 1939, Title 50, USC, Supp. V Sec.98c.
Section 5 of RFC Act, as amended June 5, 1940, Pub. No. 664, 76th Congress.

5. Lack of sanctions for enforcement, lack of control of funds, and other hindrances to successful operation of OPACS.
6. Transfer of Division of Consumer Protection from National Defense Advisory Council to OPACS.
 - a. Position taken by Henderson.
 - b. Position of Miss Elliott and her staff that OPACS be viewed as a consumer agency.
 - c. Attitude of Bureau of Budget, OPM, and others, in regard to transfer and efficacy of the division's program and organization.
7. Organization of OPACS.
 - a. The Price Administration Committee.
 - b. Divisional organization.
 - c. The commodity breakdown principle.
 - d. Lack of a field organization.
 - e. Growth of legal and accounting staffs.
8. Personnel.
 - a. Many of staff recruited from those who had worked with Temporary National Economic Committee, Securities Exchange Commission, or National Defense Advisory Council.
 - b. Numbers of college professors and lawyers added to staff.
9. The Price Division activities of OPACS.
 - a. Theory of selective controls.
 - b. Pattern of price action; issuance of 20 price schedules.
 - c. Commodity coverage and effect of controls.
 - d. Popularity of Price Schedule No. 6: Iron and Steel Products, issued April 16, 1941, 6 F.R. 2004; its salutary effect on price stabilization in general; subsequent adjustments permitted.
 - e. Inauguration of first dollars-and-cents ceilings:
 Price Schedule No. 7: Combed Cotton Yarns, issued May 23, 1941, 6 F.R. 2561.
 Price Schedule No. 11: Cotton Grey Goods, issued June 27, 1941, 6 F.R. 3180.
 - f. Evolution of dollars-and-cents food price control:
 Price Schedule No. 16: Raw Cane Sugar, issued August 13, 1941, 6 F.R. 4063.
 - g. Increasing problems of compliance and enforcement.

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10. The Consumer Division activities of OPACS.

- a. Consumer standards and needs: civilian deferments, substitution, industrial efficiency, criteria for the allocation of scarce materials, and conversion studies.
- b. Consumer relations: education of consumer groups; interpretation of price actions to consumers; field staff used to transmit local points of view to Washington.
- c. Consumer publications prepared by the staff.

11. Beginnings of rent control.

- a. Rent Section established.
- b. Surveys instituted.
- c. The first Fair Rent Committees established May 1, 1941.
- d. Determination that a "fair rent date" was the most satisfactory basis for rent stabilization.

12. Regulation of consumer credit as an anti-inflationary measure.

E. O. 8843, August 9, 1941, 6 F.R. 4035

Regulation "W" issued by the Federal Reserve Board, August 28, 1941, 6 F.R. 4413.

13. Employment of staff to study transportation aspects of industrial and commercial problems.

14. Problems of an expanding agency.

Staff of 85 as of April 11, 1941, growing to about 1195 by October 2, 1941.

Work of Budget and Finance Offices.

Personnel operations.

Property, Purchases, and Supply Offices.

Division of Files, mailing facilities, and correspondence units.

Communication and Messenger Services.

Problems of printing of regulations, amendments, price schedules, instructions, press releases, etc., their distribution, and their effect on major programs.

Division of Inquiry, Information, and Public Relations.

15. Efforts to secure Congressional authorization of price control.

a. President's message to Congress, July 30, 1941, on need of legislation to check inflationary price advances.

b. Emergency Price Control Bill introduced in Congress.

c. Hearings on the bill commenced on August 5, 1941, before the House Committee on Banking and Currency; continued off and on for over five months, the 2279 pages constituting a reservoir of materials on price control.

16. Relations with other Government agencies.

- a. President's Proclamation of an Unlimited National Emergency. Procl. #2487, May 27, 1941, C.F.R. 1941, Supp. p. 78
- b. Establishment of Office of Petroleum Coordinator, by letter, May 28, 1941, 6 F.R. 2760
- c. Increased relations with organizations controlling exports, particularly after the passage of the Lease-Lend Act, and especially with:
 - i. The State Department
 - ii. The Division of Defense Aid Reports, established to clear transactions under Lease-Lend Act. E. O. 8751, May 2, 1941, 6 F.R. 2301
 - iii. The Economic Defense Board
E. O. 8839, July 30, 1941, 6 F.R. 3823
E. O. 8900, September 15, 1941, 6 F. R. 4795

- 17. Thought and activities in other government circles, and amongst consumer, labor, and other groups, to stabilize prices and protect the civilian economy.
- 18. Development of experiences abroad in matters of price control and consumer rationing.
- 19. Accomplishments and failures of OPACS, and their evaluation.

D. Office of Price Administration as an Executive Agency, August 28, 1941 to January 30, 1942.

1. Creation of the Supply Priorities and Allocations Board by E. O. 8872, August 28, 1941, 6 F. R. 4483, and its bearing on the OPA.

a. Background for the creation of SPAB.

- i. Conflicts of points of view among key men of OPM.
- ii. Attempts to separate priorities function into military (OPM) and civilian (OPACS), and Henderson's insistence that he was responsible for the civilian.
- iii. Conflicts preventing good working relations between OPM and OPACS, e.g. the dispute over use of joint industry committees.
- iv. Henderson's insistence, in conferences on the proposed reorganization, that Civilian Supply should not be subordinated to or required to clear through OPM; reservations of Bureau of the Budget and Hillman.

b. Organizational changes brought about by E. O. 8875.

- i. Organization of SPAB.
- ii. Section 5 of E. O. 8629 abolished and power of designating priorities given to SPAB.
- iii. Transfer of Civilian Supply to OPM, where it became the Division of Civilian Supply, with Henderson as director.
- iv. Change of name of OPACS to OPA; Miss Elliott's objections.
- v. Henderson made Administrator of OPA.

2. Price Division activities.

- a. Use of fair price requests, freeze orders, voluntary agreements, and warnings.
- b. Factors considered in setting prices in a price schedule.
 - i. Study of the industry.
 - ii. Attention to position of various members of the industry.
 - iii. Functions exercised by various types of enterprise in the field.
 - iv. Consideration given to transportation, distribution, and export problems of the trade.
 - v. Desires of consumers, and public interests.
 - vi. Maintenance of competition.
 - vii. Preservation of anomalous functions.

Issuance of 53 price schedules and 120 voluntary agreements, plus several hundred warning letters and suggestions.

- i. Earlier schedules chiefly concerned with producers' goods, so that by February 11, 1942, about 50% of wholesale prices were under control.
 - ii. Later schedules more often concerned with consumer goods.
 - d. Some price schedules unsatisfactory because too complex.
 - e. Extension of subsidies in the copper price program through a system of multiple prices.
 - f. Anticipation of need for a general price ceiling.
3. OPA forced into rationing by the attack on Pearl Harbor.
- a. Actions taken by OPA within ten days after Pearl Harbor, December 7-17, 1941;
 - i. Wired sugar producers and refiners, asking them not to raise prices.
 - ii. Through the Commodity Exchange Administration of the Department of Agriculture, requested the major exchanges to place a temporary ceiling on wheat, soybeans, butter, eggs, flaxseed, mill feeds, soybean meal, and cottonseed meal.
 - iii. Announced through the Administrator that wool prices would have a ceiling fixed at December 6 levels.
 - iv. Requested temporary suspension of trading in coffee, cocoa, and pepper on certain principal exchanges; followed later in week by price ceilings, whereupon trading was resumed.
 - v. Issued price schedules on flashlights, flashlight batteries, and numerous iron and steel products.
 - vi. Gave notice to tanners against speculation in hides.
 - vii. Warned that prices would be stabilized on imported foods, fats and oils, and certain dairy products, lead and textiles; placed ceilings later in week on fats (except butter) and oils.
 - viii. Entered into agreements with individual producers for a four-month stabilization of prices of Kraft wrapping paper, important ferro-alloys, and sulphuric acid.
 - ix. Wired handlers of resins and shellac not to raise prices.
 - x. Issued order freezing prices of second-hand bags at pre-war level.
 - xi. Fixed prices for various iron and clay pipes, tanks, petroleum products, zinc oxide, wool floor covering, many wool products, reclaimed rubber, kapok.
 - xii. Forbade sales or delivery of automobile tires.

b. Events leading to rationing of automobiles.

- i. Their manufacture curtailed by Passenger Automobile Limitation Order L-2, issued by OPM, 32 C.F.R. (1942), Part 981.1, September 13, 1941.
- ii. Orders supplementary thereto, continuing through Supplemental General Limitation Order L-2-g, issued January 20, 1942, which required the cessation of manufacture of all passenger automobiles by February 10, 1942.
- iii. Undertaking of plans to ration automobiles.

c. The first rationing program: rubber tires.

- i. Sales restricted by Supplementary Order No. 11-15-b, issued by OPM, effective December 10, 1941, 32 C.F.R., 1941 Suppl. 940.3, 6 F.R. 6406; also by Amendment No. 1 thereto, issued and effective December 19, 1941, 32 C.F.R., 1941 Suppl. 940.3, 6 F.R. 6644.
 - ii. Rationing Regulation No. 1, issued by OPM, effective December 27, 1941, 32 C.F.R., 1941 Suppl. 940.5, 6 F.R. 6795. This was issued pursuant to Supplementary Order No. 11-15-c, effective December 27, 1941, 32 C.F.R., 1941 Suppl. 940.4, 6 F.R. 6792.
 - iii. Tire Rationing Regulations, issued by OPA, effective December 30, 1941, 32 C.F.R. 1315, 7 F.R. 72.
- d. WPB Directive No. 1, delegating general rationing authority to OPA, with limitation thereon; issued January 24, 1942, 7 F.R. 562.

4. Consumer Division problems during this period.

a. Weaknesses of the division.

- i. Inability to establish effective relations with other divisions of OPA, especially Price and Civilian Allocation.
- ii. Lack of technical staff to draft standardization, simplification, and substitution specifications.
- iii. Lack of power to bring about compliance with standards proposed, or conversion of industry.
- iv. Demarcation of work of Consumer Division by Bureau of Industrial Conservation, OPM.

b. Reasons for weakness.

- i. Lack of popular support, since consumers are disinclined to organize effective pressure groups.
 - (a) Many think it unpatriotic to criticize government policies during a war.
 - (b) Many feel that group efforts would prove ineffective.
- ii. Divisional personnel deficiencies.

- iii. Hostility from other sources.
 - c. Proposals for reorganization.
 - i. Create an independent Consumer Office for Defense.
 - ii. Transfer the division to OPM or Federal Security.
 - d. Attitude of the Bureau of the Budget and others.
 - e. Henderson's belief that the Consumer Division should be the agency to explain rationing activities to the public, and decision to retain it in OPA.
 - f. Resignation of Miss Elliott.
5. Rent control activities.
- a. Establishment of 210 Fair Rent Committees in 34 States.
 - i. Limited results from many of these committees.
 - ii. Their lack of enforcement power.
 - b. Preparation of draft of the District of Columbia Emergency Rent Act, passed by Congress and approved December 2, 1941; H.R. 5890, Chapter 553, 77th Cong., 1st Session, Public No. 327.
 - c. Incorporation into proposed Emergency Price Control Act of 1942 of the benefit of experience gained under voluntary administration and under the D.C. Act.
6. Role of the Legal Division, under the direction of David Ginsburg as General Counsel.
- a. Preparations for rapid expansion as soon as the price control bill became law.
 - b. Leadership in plans for developing regional and field offices (see paragraph 8 below).
 - c. Collaboration in the drafting of price schedules and responsibility for transmitting them to the Federal Register for publication.
7. Activities of the Division of Accounting Analysis and Review, under the direction of Herbert F. Taggart.
- a. Clearance of forms and questionnaires with the Bureau of the Budget.
 - b. Data collection and data collation.
 - c. First use of Form A -- Annual Financial Report, in December 1941.
8. Development of a field organization.
- a. The so-called Field Plan of E. J. McCormack, outlining a system of

regional and field offices strategically located to control producers' and wholesalers' prices.

- b. Establishment of the Division of Field Operations, with Frank Bane, of the Council of State Governments, as director, appointed October 12, 1941.
 - i. Chicago Regional Office set up November 17, 1941.
 - ii. New York and San Francisco, December 8, 1941.
 - iii. Atlanta, Boston, Cleveland, Dallas, and Kansas City, January 12, 1942.
 - iv. Denver and Philadelphia, January 26, 1942.
- c. A set of Tentative Instructions for Operation of Regional Offices issued November 25, 1941, by the Legal Division and Division of Field Operations.
- d. Divergent points of view of Bane and Legal, Bane centering his interest in the States and local authorities, while Legal desired a centrally controlled field organization, generally under the direction of the Legal Division.
- e. Creation of Tire Rationing Boards.
 - i. Necessity for immediate action after December 7, 1941.
 - ii. Bane's utilization of State and Local Defense Councils, whereby in two weeks' time some 7,000 local boards were created.
 - iii. By-passing of regional and field offices in the creation of local boards; difficulties created thereby and subsequent effects on OPA programs.
 - iv. Addition of a Commodity Distribution Section to the Division of Field Operations, in December 1941, to handle rationing.

9. Congressional activity.

- a. Continued hearings on the Emergency Price Control Bill.
- b. New legislation affecting the OPA programs.
 - i. Amendments to Vinson Act; see paragraph 10 a below.
 - ii. First War Powers Act, 1941. Act of December 18, 1941, Chapter 593, 55 Stat. 838.

10. Relations with other agencies.

- a. OPM's authority enlarged to give it additional requisitioning powers, created by two recent amendments to the Vinson Act:
 - E. O. 8891, September 4, 1941, 6 F. R. 4623.
 - E. O. 8942, November 11, 1941, 6 F. R. 5909.
- b. OPM replaced by WPB, its powers enlarged; SPAB abolished, by two orders:
 - E. O. 9024, January 16, 1942, 7 F. R. 329
 - E. O. 9040, January 24, 1942, 7 F. R. 527.

- c. Establishment of Office of Defense Transportation under
E. O. 8989, December 18, 1941, 6 F. R. 6725.
- d. Export control agencies.
 - i. Division of Defense Aid Reports (see above, C, 16, c, ii) abolished,
and the Lend-Lease Administration set up but required to clear Lend-
Lease transactions through the Economic Defense Board, under
E. O. 8926, October 28, 1941, 6 F. R. 5519.
 - ii. Economic Defense Board replaced by the Board of Economic Warfare,
under E. O. 8982, December 17, 1941, 6 F. R. 6530.
- e. Commencement of recognition of food problem; see E. O. 9023, January 14,
1942, 7 F. R. 302
- f. War Labor Board, set up under two orders:
 - E. O. 9017, January 12, 1942, 7 F. R. 237.
 - E. O. 9038, January 24, 1942, 7 F. R. 527.
- 11. Accomplishments and failures of OPA as an executive agency, and evaluation
of its program.
- 12. Concurrent thinking and practice on problems of price control and civilian
supply in other government agencies. among members of the public, and abroad.

E. Early History of OPA Under the Emergency Price Control Act of 1942, January 30, 1942 to October 2, 1942.

1. Emergency Price Control Act of 1942. Act of January 30, 1942, C 26, Public No. 421, 56 Stat. 23.
 - a. Reasons back of its enactment.
 - i. Defense appropriations at a rate of \$2,000,000,000 per month.
 - ii. Rapid rise in consumer income.
 - iii. Rapid rise in retail prices between February 1941 and December 1942, with possibility of their getting out of control.
 - iv. No laws in existence providing direct penalties for the violation of price ceilings, with the result that violations at the retail level could not be punished at all, while penalties at other levels, such as withdrawal of priorities, were difficult to apply.
 - v. Henderson's testimony before Congressional Committees.
 - vi. Experience of other nations, notably Canada, with price control.
 - b. Significant omissions in the Act, especially the lack of control over farm products and over wages.
 - c. Problems created by shift from an executive to a legislative agency.
2. Leon Henderson sworn in as Price Administrator, February 11, 1942.
3. Developments in the mechanics of price control.
 - a. Growth of the Price Division.
 - i. Development of its own budgeting functions and growth of autonomy.
 - ii. Increasing importance of the division and its guidance under the Policy Committee.
 - iii. Its early control over rationing, with the approval of the Bureau of the Budget and of the rationing personnel.
 - b. 27 price schedules issued between January 30 and February 10, 1942, and the total of 105 then existing (except a few previously revoked) reissued under the new authority, February 21, 1942, 7 F.R. 1202-1402.
 - c. The term "price schedule" replaced by "maximum price regulation," and 127 of the latter (MPR 106 to MPR 232), together with 21 Temporary MPR's, issued between February 21 and October 2, 1942. (For the General Maximum Price Regulation see Section 6 below.)
 - d. Voluntary agreements with industry still allowable under Section 5 of EFCA, as arranged, for example, with the 13 manufacturers of waterproof rubber footwear, March 3, 1942 (later replaced by MPR 132).

- e. Procedures formalized for the occasional modification of price ceilings.
- i. Filing of protests allowed by Section 203 of EPCA; 1832 protests filed by July 31, 1942.
 - ii. General procedures for protests, amendments, and adjustments, Procedural Regulation No. 1, issued and effective February 12, 1942, 7 F.R. 971.
 - iii. Retail adjustments, Procedural Regulation No. 2, issued September 1, 1942, 7 F.R. 6962.
 - iv. Protests, amendments, or adjustments of maximum rents, Procedural Regulation No. 3, issued and effective May 25, 1942, 7 F.R. 3936.
 - v. Adjustment of prices for consumer services, Temporary Procedural Regulation No. 5, issued and effective June 23, 1942, 7 F.R. 4730.
 - vi. Adjustment of prices under Government contracts, Procedural Regulation No. 6, issued July 1, 1942, effective July 3, 1942, 7 F.R. 5086.
 - vii. Adjustment of prices in Territories, Procedural Regulation No. 7, issued June 25, 1942, effective June 26, 1942, 7 F.R. 4779.
 - viii. Adjustments for carriers, storage or terminal services, Temporary Procedural Regulation No. 8, issued September 29, 1942, 7 F.R. 7746.
 - ix. See also Field Price Instruction Letter No. 2, teletyped June 22, 1942, and the following Field Price Instructions:

No. 8, September 12, 1942
No. 2, Rev., September 15, 1942
No. 9, September 22, 1942

4. Developments in the technique of price control.

- a. Formula pricing widely used, commonly requiring manufacturers to follow their price-fixing methods as in effect on an earlier "base date," with adjustments for present material costs and wage rates; exemplified by:
 - i. MPR 136, on Machines and Parts and Machinery Services, issued April 28, 1942, effective May 18, 1942, 7 F.R. 3198.
 - ii. MPR 149, on Mechanical Rubber Goods, issued May 22, 1942, effective May 27, 1942, 7 F.R. 3889.
 - iii. MPR 188, on Manufacturer's Maximum Prices for Building Materials and Consumer Goods Other than Apparel, issued July 29, 1942, effective August 1, 1942, 7 F.R. 5872.

iv. The General Maximum Price Regulation (see Section 6 below).

b. Subsidies used under EPCA and under the Reconstruction Finance Corporation Act, as amended, 15 U.S.C., Section 606 b-3(d); cf. the Murray-Patman Act, Act of May 11, 1942, C 301, 56 Stat. 275, 15 U.S.C., Section 606 b-3 (a) (b)(c).

c. Prices rolled back or reduced on many commodities, such as:

Film scrap
Resins from the Belgian Congo
Several coal-tar derivatives
Kraft, wrapping and bag papers
Rolled glass
Copper alloy
Aluminum scrap
Red cedar shingles
Antifreeze
Cotton cloth used for bagging
Wooden containers
Woven fabrics
Second-hand typewriters
Tallow and grease
Packer's prices for beef and veal
Milled rice at the milling level
Mill prices of worsted
Basic pine oil

d. Commodity Practices Regulation No. 1, issued July 17, 1942, effective July 21, 1942; 7 F.R. 5564; forbidding reduction in size or deterioration in quality of household soaps - the only order dealing exclusively with size and quality of a commodity.

5. Extension of the scope of price control.

a. Retail trade.

- i. The first major ceiling at the retail level, Temporary MPR 15, on New Typewriters, issued March 23, 1942, effective March 30, 1942, 7 F.R. 2316.
- ii. For the bearing of the General Maximum Price Regulation on retail trade, see Section 6 below.

b. Services.

- i. A million suppliers, doing a business of \$5,000,000,000 a year, affected by MPR 165, on Consumer Services, issued June 23, 1942, effective July 1, 1942, 7 F.R. 4734.

c. More used goods brought under control.

- i. MPR 139, on Used Household Mechanical Refrigerators, issued May 5, 1942, effective May 18, 1942, 7 F.R. 3393.
- ii. MPR 162, on Sale and Rental of Used Typewriters, issued June 11, 1942, effective July 1, 1942, 7 F.R. 4484.

d. Regulation extended to cover rental rates.

i. See MPR 162, just mentioned.

e. Exports.

i. Export prices mentioned in 51, and export premiums set in 28, of the 120 price schedules and regulations issued before April 25, 1942.

ii. The Maximum Export Price Regulation, issued April 25, 1942, effective April 30, 1942, 7 F.R. 3096; revised July 2, 1942, 7 F.R. 5059.

iii. Office of Export-Import Price Control set up within the OPA on September 18, 1942, by Administrative Order No. 10, Revised, superseding Administrative Orders No. 10 and No. 11 and Divisional Orders No. 2 and No. 4.

iv. Joint responsibility of this office and the Board of Economic Warfare as to the licensing of exporters.

f. Imports.

i. Inapplicability of the pricing formulas of GMPR to the domestic selling prices of imported goods, on which the foreign purchase price, the transportation charges, the insurance rates, and the ad valorem duties may all have risen.

ii. A "roll forward" of such increases allowed by Supplementary Regulation 12 to GMPR, issued June 19, 1942, effective June 20, 1942, 7 F.R. 4661.

iii. Office of Export-Import Price Control responsible for the administration and interpretation of the GMPR with respect to imported commodities, according to Administrative Order No. 10, Rev., issued September 18, 1942.

6. General Maximum Price Regulation (known as GMPR or as "General Max"), issued April 28, 1942, effective May 11, 1942, 7 F.R. 3153.

a. Timing.

i. Announced in the President's radio address of April 27, 1942.

ii. Accompanied by the designation of 302 additional defense-rental areas, in which lived 86,000,000 persons (see Section 8 below).

iii. Immediately preceded by the imposition of export price control (see Section 5, e, ii, above).

b. Scope.

i. Estimated to cover 80% of the cost-of-living items.

ii. Designed especially to regulate the 1,700,000 retail establishments of the country.

iii. Ceiling over farm products prevented by Section 3 of EPCA.

- iv. Ceiling over some other products prevented by considerations of administrative feasibility.
 - v. Lack of correlating control over wages.
 - vi. Control extended to consumer services by MPR 165 (see Section 5, b, above) on July 1, 1942.
 - vii. Control extended to certain manufacturers' prices by MPR 188 (see Section 4, a, above) on August 1, 1942.
- c. Method.
- i. The month of March 1942 set as a "base period," with the highest price then charged as the present legal maximum.
 - ii. The highest March offering price as the present maximum if a commodity was offered for sale but not actually delivered in March.
 - iii. For a commodity not dealt in at all in March, the highest March price on a similar commodity as the present maximum.
 - iv. Barring this, the highest price charged or asked in March on the same or a similar commodity by the most closely competitive seller of the same class.
 - v. Formula pricing (see Section 4, a, above) provided for other cases.
- d. Some assumptions on which action was taken.
- i. That a roll-back would adjust most inequities.
 - ii. That many dealers would go into more essential employments, or into the army, enabling the surviving dealers to do business profitably by reason of the larger gross, even with smaller unit profits.
 - iii. That subsidies as provided for in the Act would care for remaining difficulties.
 - iv. That the over-all ceiling would be superseded by dollars-and-cents pricing of specific commodities within sixty to ninety days.
- e. Partial list of reasons for failure of assumptions to materialize.
- i. The roll-back proved difficult to effectuate.
 - ii. Fewer merchants went out of business than had been expected.
 - iii. Subsidies were not forthcoming.
 - iv. The time of the members of the staff was so occupied in making adjustments, preparing amendments to the regulations, and explaining its position to the trade, that little time was left in which to get at the setting of dollars-and-cents ceilings.

f. Administrative problems and technical difficulties.

- i. 632 protests filed within 90 days, while thousands of letters, petitions and individuals in person came to the Office.
- ii. Many upward price adjustments allowed by the OPA.
- iii. Many similar adjustments doubtless made tacitly by dealers themselves.
- iv. Extreme difficulty of policing a general freeze at retail level.
- v. The freeze technique not well adapted to the pricing of seasonal goods, of new goods not then being produced, of goods altered in composition by WPB Conservation or Simplification Orders, of special-order goods, including sub-assemblies and parts required for the military, of rush orders produced under emergency conditions, etc.
- vi. Pressure exerted on price ceilings by rising wages, on wage levels by rising costs of living, and on the cost of living by rising farm prices.

g. General appraisal of the GMPR.

- i. Immediate drastic action definitely required to check serious acceleration of price rises.
- ii. No other remedy then available.
- iii. Regulation effective in temporarily checking rising prices.
 - (a) Wholesale prices, which had been rising since August 1940 at the rate of 1.3% per month, rose over the next few months at the rate of .13%.
 - (b) Price increases on cost-of-living items dropped from 1% per month to .4% per month.
 - (c) Most of such rise in prices as continued was due to price increases in farm and food items over which OPA had little or no jurisdiction.
- iv. Progressive lack of enforcement, creating in time a general tendency toward violation of all OPA rules.

7. Developments in the field of rationing.

a. Separate programs.

- i. Tires, under the original Tire Rationing Regulations, with one amendment; then under Tire Rationing Regulations, Revised, issued February 9, 1942, effective February 19, 1942, 7 F.R. 1027; with 27 amendments prior to October 2, 1942.
- ii. Automobiles, under Rationing Order No. 2, New Passenger Automobile Rationing Regulations, issued January 30, 1942, effective February 2, 1942, 7 F.R. 667, with 2 amendments; superseded by Rationing Order No. 2A, issued February 21, 1942, effective March 2, 1942, 7 F.R. 1542, with 16 amendments prior to October 2, 1942.

- iii. Trucks, light, medium and heavy, all rationed by War Production Board.
 - (a) Reasons.
 - (b) Results.
 - iv. Sugar, under Rationing Order No. 3, issued April 21, 1942, effective April 20, 1942, 7 F.R. 2966, with 13 amendments prior to October 2, 1942.
 - v. Typewriters, under Ration Order No. 4, issued March 12, 1942, effective March 13, 1942, 7 F.R. 2003, with 5 amendments prior to October 2, 1942.
 - vi. Gasoline, under Ration Order No. 5, issued May 11, 1942, effective May 12, 1942, 7 F.R. 3482, with 7 amendments; superseded by Ration Order No. 5A, issued July 7, 1942, effective July 9, 1942, 7 F.R. 5225, with 10 amendments prior to October 2, 1942; also Ration Order 5B, Gasoline Rationing Regulations for Puerto Rico, issued July 20, 1942, effective July 22, 1942, 7 F.R. 5607, with 6 amendments prior to October 2, 1942.
 - vii. Rubber, under Rationing Order No. 6, Men's Rubber Boots and Rubber Work Shoes, issued September 29, 1942, effective September 29, 1942, 7 F.R. 7749.
 - viii. Bicycles, under Ration Order No. 7; issued May 5, 1942, effective May 15, 1942, 7 F.R. 3666; superseded by Revised Ration Order No. 7, issued July 1, 1942, effective July 9, 1942, 7 F.R. 5062, with 2 amendments prior to October 2, 1942.
- b. Rationing field problems.
- i. Use of Local Tire Rationing Boards.
 - ii. Employment of paid clerical assistants.
 - iii. Solution of relationship between the intermediate Regional and State controls, largely dominated by the Legal Division, and the Local Boards used by Rationing Division.
- c. Other rationing problems.
- i. Design, manufacture, and distribution of the War Ration Books; order for Book I issued April 21, 1942.
 - ii. The "rationale" as a "statement of considerations" for ration orders.
 - iii. General principle established of denying exception in hardship cases, under General Ration Order No. 1, issued October 24, 1942, effective October 30, 1942, 7 F.R. 8653.
 - iv. Establishment of Inventory Control Unit, located in New York City; created by the Automobile Section and later used by all branches.
 - v. Ration banking under consideration.
- d. Region IX, covering rationing in the Territories and outlying possessions, set up by Administrative Order No. 4, May 7, 1942, and Supplement 3 thereto, May 26, 1942.

8. Developments in the field of rent control.

- a. Background of need.
- b. The program authorized and outlined in Section 2 (b) of the EPCA.
- c. Difficulty of determining necessity for "defense-rental areas" without extensive rent surveys.
- d. 323 such areas, in which lived 86,000,000 persons, designated by April 30, 1942; the areas enlarged within ninety days, and new ones created, to bring in an additional 46,000,000 people; but "designation" only the first step.
- e. The Rent Division established under Administrative Order No. 44, July 28, 1942.
- f. Expansion of staff to handle program.
- g. Complex enforcement problem arising out of collusion between landlords and potential tenants in need of housing.

9. Attempt to revive effectiveness of Consumer Division, especially as to standards.

- a. Grade standards implicitly authorized, but not specifically mentioned in EPCA.
- b. Commodity Practices Regulation No. 1 (see Section 4d above), freezing quality and quantity of soap in a bar.

10. Growth of the Legal Division.

- a. Coequal power with Price and Rationing Divisions on price and rationing programs.
- b. Legal Rationing Division lawyers separated from lawyers working on price schedules.
- c. Personnel of the Legal Division.
- d. Enforcement progress.
 - i. Enforcement problems increased upon introduction of rationing.
 - ii. Licensing as a control device.
 - (a) Authorized by Section 205 (f) of EPCA.
 - (b) First warning notice to a licensee sent July 22, 1942, under Supp. Order No. 5, for a violation of Price Schedule No. 4.
 - iii. Use of compliance survey as an enforcement device.
 - iv. Court decisions upholding the constitutionality of several sections of EPCA.

e. Complaints against the Legal Division.

- i. Delays in completing drafts of orders at time when needed.
- ii. Unusual complexity and unintelligibility of orders and amendments.
- iii. Lack of enforceability of orders as drawn.
- iv. Failure of orders to carry educational value or consumer or popular appeal.

f. Accomplishments of the Legal Division.

- i. Maintaining objectives of price control.
- ii. Establishing principles of uniformity and prohibition of exceptions.
- iii. Setting up protest and appeal procedures and other observances of the requirements of due process.

g. Evaluation of the work of the division.

11. Reorganizations of March - April 1942.

- a. Decision to organize the OPA basically by functions (price control, rationing, rent) rather than by commodities, as implied in Office Order No. 17, issued March 3, 1942.
 - i. Separation of all rationing functions from the Price Division and establishment of a Rationing Division, with the Senior Deputy Administrator, John E. Hann, temporarily assigned to organize it.
 - ii. Establishment of four separate Price Divisions as follows:
 - (a) Food and Apparel.
 - (b) Industrial Materials and Equipment
 - (c) General Products.
 - (d) Fuel.
 - iii. Elevation of the Rent Section to division status, with Paul A. Porter as Assistant Administrator in charge.
- b. Organization within the OPA of its own administrative services, formerly provided for it by the Central Administrative Services Section (CAS) of the Office for Emergency Management (OEM), according to Office Order No. 22, issued March 17, 1942.
 - i. Personnel Branch set up, George C. S. Benson, Director.
 - ii. Budget and Service Branch set up, E. J. McCormack, Director.

iii. Organization Planning Branch set up, Stanley T. Orear, Acting Director.

c. Abolition of the Division of Field Operations and concentration of most of the central office and all of the field organization under the Senior Deputy Administrator; commonly known as the April reorganization.

i. Documents.

- (a) Advance announcement by John E. Hamm and Frank Bane to a meeting of the ten regional directors in Chicago, April 11, 1942; minutes mimeographed.
- (b) Organizational Chart issued April 22, 1942; reprinted with slight change on May 6, 1942.
- (c) Administrative Order No. 4, on Basic Organization of Regional, State and District Offices, War Price and Rationing Boards, and Defense-Rental Area Offices; issued May 7, 1942.
- (d) Organizational Guide as of May 26, 1942, issued June 2, 1942, as Administrative Order No. 14; more detailed than the chart and with some additions.

ii. Background of the move.

- (a) Overlapping responsibilities and jurisdictions of the Legal, Field, and Price Divisions.
- (b) Particular overlapping of the new Rationing Division and the older Commodity Distribution Section, which had a staff of 70 on March 31, 1942.
- (c) Plan, never put into effect, for the Division of Field Operations to set up a Rationing Operations Section of about 237 persons; see Budgetary Statement of the Rationing Operations Section (undated; about April 1942).
- (d) Opinion in the Price Division that the Division of Field Operations was not equipped to handle field aspects of the contemplated over-all price freeze.

iii. Structural set-up in the field prior to the change.

- (a) Provision for 12 regional offices, of which 11 had been established, with a personnel of 1369, by March 31, 1942 (Minneapolis, though announced as if open in Office Order No. 24, issued April 1, 1942, was really scheduled to open April 6, but did not open; Baltimore closed before April 11).
- (b) Provision for 60 - 70 field offices, of which 16 had been organized by March 31, 1942, according to PM Release 2826.
- (c) Possibly 9000 local boards, of which about 8000 were actively functioning, according to the minutes of April 11, 1942.

- iv. Functional set-up in the field prior to the change.
 - (a) Regional offices, with subsidiary field offices, designed to administer price control, chiefly at manufacturing and wholesale levels.
 - (b) State offices, with subsidiary local boards, designed to administer rationing, chiefly at the consumer level.
- v. Offices attached to the Administrator, Leon Henderson, in the chart of April 22, 1942.
 - (a) Senior Deputy Administrator, John E. Hamm.
 - (b) Economic Advisor, Richard V. Gilbert.
 - (c) Legal Advisor, David Ginsburg.
 - (d) Industry Council, L. H. Harris, Chairman.
 - (e) Organization Planning Office, S. T. Orear, Acting Director.
 - (f) OPA Secretary, Charles A. Bishop.
- vi. Offices attached to the Senior Deputy Administrator in the chart of April 22, 1942.
 - (a) Five Price Divisions under a Deputy Administrator, J. K. Galbraith.
 - Food and Apparel Price Division
 - Industrial Materials Price Division
 - General Products Price Division
 - Fuel Price Division
 - Retail Trade and Services Division
 - (b) Rent Division under a Deputy Administrator, Paul A. Porter.
 - (c) Three Rationing Divisions under an Acting Deputy Administrator, Paul M. O'Leary.
 - Automotive Supply Rationing Division
 - Food Rationing Division
 - Miscellaneous Products Rationing Division
 - (d) Legal Division under the General Counsel, David Ginsburg.
 - (e) General services under a Deputy Administrator, Dexter M. Keezer.
 - Research Division
 - Consumer Division
 - Administrative Division, for personnel, budget and finance, and services.
 - Information Office
 - Transportation Office

- (f) Nine Regional Offices (Kansas City and Philadelphia offices closed by this time, but Region IX for Territories and Possessions added) with subordinate State Offices, District Offices, and Local War Price and Rationing Boards.
- d. Record of OPA growth before, during, and after these reorganizations, according to J. S. Keir, "Organization of OPA in the Field," issued about October 2, 1942.
 - i. 85 persons on the payroll in April 1941.
 - ii. 1194 as of October 2, 1941.
 - iii. 1500 as of January 31, 1942.
 - iv. 4436 as of April 11, 1942.
 - v. 40,000, plus 50,000 volunteers by October 2, 1942.
- 12. Important offices and functions established or reassigned after the reorganization.
 - a. Organization Planning Office made responsible for review and clearance of procedural issuances, according to Administrative Order No. 1, issued April 16, 1942; general functions of this Office set forth in Administrative Order No. 20, issued June 17, 1942.
 - b. Functions of the Accounting Division set forth in Administrative Order No 5, issued May 8, 1942.
 - c. Functions of the Research Division and scope of the authority of the Economic Adviser set forth in Operating Order No. 1, issued May 14, 1942.
 - d. OPA Library transferred from the Administrative Division to the Research Division, according to Administrative Order No. 9, issued May 15, 1942.
 - e. Import Price Control Office set up by Administrative Order No. 10, and Export Price Control Office by No. 11, both issued May 23, 1942; combined as Office of Export-Import Price Control, by Administrative Order No. 10 (Revised), issued September 18, 1942. See also Divisional Orders No. 2 and No. 4 on import and export price control procedure.
 - f. Functions and relations of Regional Office IX, for Territories and Possessions, set forth in Administrative Order No. 4, Supplement 3, issued May 26, 1942.
 - g. Retail Trade and Services Division made responsible for retail price control, according to Administrative Order No. 16, issued June 9, 1942.
 - h. Functions of the Consumer Credit Control Consultant (an anticipation of the later Credit Policy Office) set forth in Administrative Order No. 17, issued June 11, 1942.
 - i. Service Branch, in the Administrative Division, made responsible for central correspondence control and files, according to Administrative Order No. 19, issued June 16, 1942.

- j. Office for Local Board Operations set up in Administrative Order No. 28, issued June 29, 1942.
 - k. Labor Office set up in Administrative Order No. 29, and Labor Policy Committee in No. 30, both issued June 30, 1942.
 - l. Functions and organization of the Consumer Division set forth in Administrative Order No. 35, issued July 3, 1942.
 - m. Functions and organization of the Rent Division set forth in Administrative Order No. 44, issued July 28, 1942.
 - n. Price Department, Rationing Department, Rent Department, General Services Department, and Legal Department finally so designated in accordance with Administrative Order No. 3, Second Revision, issued September 1, 1942; the term "department" having been prescribed for the highest organizational level by the original Administrative Order No. 3 on May 2, 1942, but cancelled by the revision of May 6, 1942.
 - o. Transportation and Public Utilities Division set up by Administrative Order No. 48, issued August 21, 1942.
 - p. Printing and Distribution Branch set up in the Administrative Division, taking over the printing and duplicating activities of the Service Branch, according to Administrative Order No. 45, Supplement No. 1, issued August 28, 1942.
 - q. Standards Division set up in General Services Department, replacing the Standards Branch of the Consumer Division, according to Administrative Order No. 49 and Operating Order No. 4, both issued September 3, 1942.
 - r. Statistical Standards Office set up in the General Services Department, replacing the Questionnaire Branch of the Accounting Division, according to Administrative Order No. 50 and Operating Order No. 2 (Revised), both issued September 5, 1942.
 - s. Final decisions on draft eligibility to be made by the Director of Personnel in the central office and by regional administrators in the field, according to Administrative Order No. 52, issued September 15, 1942.
 - t. Training courses of lectures conducted for new employees from June 1942 onward, under the direction of the Training and Employee Relations Section, later the Training Section, of the Personnel Branch, though the training functions were not in this period formalized in a specific order; see transcripts of "Induction Training Conference" of June 26, 1942, of "Training Forum for OPA Employees" of July 10 and 17, 1942, of "Induction Training Course -- OPA" of July 24, 1942, etc.
- 13. Presidential messages to Congress, April 27 and September 7, 1942, announcing and reemphasizing the seven-point program for inflation control.
 - 14. Congressional influence on OPA programs.
 - a. Congressional attitude toward the OPA.

- b. Effect of the Second War Powers Act, 1942, Public No. 507, Act of March 27, 1942, Chapter 193, 56 Stat. 176, and of E.O. 9125, issued April 7, 1942, 7 F.R. 2719, which accomplished the following amongst other things:
 - i. Delegated to OPA certain new powers established under the Second War Powers Act.
 - ii. Authorized WPB to grant OPA extensive rationing powers.
 - iii. Ratified all rationing directives previously issued to OPA by WPB.
- c. Administrative Order No. 51, issued September 11, 1942, to clarify for OPA officials the effect (on subsidies, etc.) of the provisions of the First Supplemental National Defense Appropriation Act of 1943 (Public No. 678, 77th Congress, 2nd Session, C 524, 56 Stat. 704).

15. Relations with other agencies.

- a. Administration of OPA affected by Budget Bureau control; e.g., the Budget Bureau was given power to obtain confidential data for the war agencies, by E.O. 9103, issued March 18, 1942, 7 F.R. 2166.
- b. Creation of the Office of Rubber Director, according to E.O. 9246, issued September 17, 1942, 7 F.R. 7379.
- c. Office of Defense Transportation authority over automobiles enlarged by E. O. 9156, issued May 2, 1942, 7 F.R. 3349; authority also extended to Territories and possessions by E.O. 9214, issued August 5, 1942, 7 F.R. 6097.
- d. Continued adjustment of program to facilitate Army, Navy, Treasury, and R.F.C. procurement programs.
 - i. 16 categories of exceptions to General Maximum Price Regulation made by Supplementary Regulation No. 4, issued May 13, 1942, effective May 18, 1942, 7 F.R. 3724; amended 7 F.R. 3942, 4410, 4543, 4660, 4740.
 - ii. Military sales of textiles and apparel exempted by Maximum Price Regulation 157, issued June 3, 1942, effective June 4, 1942, 7 F.R. 4273.
 - iii. Over 50 other amendments and regulations issued to assist these procurement programs.
- e. Collaboration with Treasury and Federal Reserve Board in regard to fiscal policies required to support the price program.
 - i. Larger cash payments required on purchase of consumer goods, according to Amendment 3 to Regulation W, 12 C.F.R., 222, effective March 23, 1942, 7 F.R. 1826.
 - ii. Regulation W revised to cover charge accounts, effective May 6, 1942, 7 F.R. 3351.
 - iii. Regulation W relaxed to encourage purchase of heating equipment, effective July 27, 1942, 7 F.R. 5807.

- f. Consultations with Interstate Commerce Commission, Maritime Commission, War Shipping Board, as well as Office of Defense Transportation, concerning transportation problems.
- g. Questions affecting export and import prices decided with the aid of the Department of State, Co-ordinator for Inter-American Affairs, and the Board of Economic Warfare; import difficulties sometimes solved with the aid of the Federal Loan Agencies, such as Metal Reserves Co., Defense Supplies Corp., etc.
- h. Coordination of enforcement programs with Department of Justice activities.
- i. Advice requested and received from the Department of Agriculture, including the Agricultural Adjustment Agency, on farm prices.
- j. Cooperation with the Bituminous Coal Commission and Office of Petroleum Coordinator in stabilizing fuel prices.
- k. Frequent and intimate collaboration with WPB in the working out of many programs.
- l. Studies made for OPA or information provided it by the Federal Trade Commission, the Tariff Commission, Bureau of Labor Statistics, National Archives, Bureau of the Census, Securities and Exchange Commission, Forest Service of Department of Agriculture, and probably others.
- m. War insurance rates on import cargoes frozen by War Shipping Administration as an aid to curtailing costs and increasing supplies.
- n. Certain problems of supply and demand worked out jointly with British Raw Materials Mission, State Department, Board of Economic Warfare, Defense Supplies Corp., WPB and Office of Agricultural War Relations.

16. Relations with State and local governments.

- a. State vehicle registrars cooperated by requiring ration certificates before permitting transfers of new automobiles.
- b. Schools provided buildings and staffs for numerous OPA registrations.
- c. Schoolmen wrote texts and disseminated information on need for and nature of price control, rationing, etc.
- d. Cities and states furnished space, equipment, and personnel to the local boards.
- e. Enforcement officials cooperated in obtaining compliance with OPA rules.

17. Relations with the public.

- a. Intensive efforts to educate the public about General Maximum Price Regulation.
- b. Trade attitude towards OPA.

18. Effect on OPA program of concurrent events in the military field and in other phases of American civilian life, and growing out of ties with the United Nations.
19. Comparable programs in other countries.
20. Development of theory of price control and consumer protection, as evidenced by writings in technical journals, popular magazines and the daily press.
21. General appraisal of this period in OPA history.

F. OPA Under the Inflation Control Act of 1942 (Popularly Known as the Stabilization Act), October 2, 1942 to January 20, 1943.

1. Inflation Control Act of 1942. Act of October 2, 1942, C 578, 56 Stat. 765 Public No. 129.
 - a. Background of the Act.
 - i. Fight to control wages and agricultural prices.
 - ii. President's message and radio address of September 7, 1942.
 - b. Increased powers falling to OPA under the Act, according to E. O. 9250, October 3, 1942, 7 F. R. 7871.
2. Developments in the field of price control.
 - a. 72 MPR's (No. 233 - 304) and 4 Temporary MPR's (No. 22 - 25) issued.
 - b. New or revised food programs, by which the proportion of all food prices under control was raised from 60% to 90%.
 - i. MPR 233, on Dried and Canned Apples and Apple Products, issued October 2, 1942, effective October 5, 1942, 7 F. R. 7903:
 - ii. Temporary MPR 22, freezing the prices of certain essential food products, issued October 3, 1942, effective October 5, 1942, 7 F.R. 7914; see Section xxiv below.
 - iii. Amendments 10-21 to Revised Price Schedule No. 53, on Fats and Oil: issued October 7, 1942. effective October 13, 1942, 7 F. R. 7977.
 - iv. MPR 239, on Lamb and Mutton, issued October 8, 1942, effective October 13, 1942, 7 F.R. 8019.
 - v. MPR 237, providing fixed wholesale markups on certain food products, issued October 10, 1942, effective October 15, 1942, 7 F.R. 8205.
 - vi. MPR 238, providing fixed retail markups on certain food products, issued October 10, 1942, effective October 15, 1942, 7 F. R. 8209.
 - vii. MPR 242, on Dried Prunes and Raisins, issued October 14, 1942, effective October 14, 1942, 7 F.R. 8354.
 - viii. MPR 243, on Domestic Dates and Date Products, issued October 19, 1942, effective October 24, 1942, 7 F. R. 8478.
 - ix. MPR 247, on Domestic Canned Crabmeat, issued October 24, 1942, effective October 30, 1942, 7 F. R. 8653.
 - x. MPR 249, on Certain Seasonal Food Products at Wholesale, issued and effective October 26, 1942, 7 F.R. 8702.
 - xi. MPR 250, on Certain Seasonal Food Products at Retail, issued and effective October 26, 1942, 7 F. R. 8705.

- xii. MPR 252, on Vinegar Cured Herring, issued October 30, 1942, effective November 4, 1942, 7 F.R. 8875.
- xiii. MPR 255, on Permitted Increases for Wholesalers of Certain Foods, Issued October 31, 1942, effective November 6, 1942, 7 F.R. 8890.
- xiv. MPR 256, on Permitted Increases for Retailers of Certain Foods, issued October 31, 1942, effective November 6, 1942, 7 F. R. 8893.
- xv. MPR 262, on Seasonal and Miscellaneous Food Products, issued November 9, 1942, effective November 14, 1942, 7 F.R. 9244.
- xvi. MPR 265, on Sales by Cannerymen of Salmon, issued and effective November 9, 1942, 7 F.R. 9229.
- xvii. MPR 268, on Sales of Certain Perishable Food Commodities at Retail, issued November 7, 1942, effective November 12, 1942, 7 F.R. 9184.
- xviii. MPR 269, on Poultry and Eggs, issued November 7, 1942, effective November 9, 1942, 7 F.R. 9202; revision, on Poultry, issued and effective December 18, 1942, 7 F.R. 10708.
- xix. MPR 270, on Dry Edible Beans, issued November 7, 1942, effective November 9, 1942, 7 F.R. 9189.
- xx. MPR 271, on Potatoes and Onions, issued November 7, 1942, effective November 9, 1942, 7 F.R. 9179.
- xxi. MPR 275, on Extracted Honey, issued November 27, 1942, effective December 3, 1942, 7 F.R. 9955.
- xxii. MPR 277, on Sales by Cannerymen of Mackerel, issued November 28, 1942, effective December 4, 1942, 7 F.R. 9973.
- xxiii. MPR 279, on Hops, issued December 5, 1942, effective December 9, 1942, 7 F.R. 10227.
- xxiv. MPR 280, on Maximum Prices for Specific Food Products, issued and effective December 3, 1942, 7 F.R. 10144; replacing TMR 22 (Section ii above).
- xxv. MPR 283, on Burley (Type No. 31) Tobacco, issued and effective December 4, 1942, 7 F.R. 10224.
- xxvi. MPR 285, on Imported Fresh Bananas, issued December 12, 1942, effective December 18, 1942, 7 F.R. 10481.
- xxvii. MPR 286, on Certain Sausage Products for War Procurement Agencies, issued December 15, 1942, effective December 19, 1942, 7 F.R. 10554.
- xxviii. Temporary MPR 23, on Shelled Peanuts, Salted Peanuts, and Peanut Butter, issued December 24, 1942, effective December 29, 1942, 7 F.R. 10994.
- xxix. MPR 289, on Dairy Products, issued December 24, 1942, effective December 30, 1942, 7 F.R. 10996.

- xxx. MPR 291, on Certain Syrups and Molasses, issued and effective December 24, 1942, 7 F.R. 11002.
- xxxi. Temporary MPR 24, on Sales of Molasses to West Coast Ethyl Alcohol Distillers, issued and effective December 29, 1942, 7 F.R. 11117.
- xxxii. MPR 292, on Sales of Citrus Fruits, issued December 31, 1942, effective January 11, 1943, 8 F.R. 135.
- xxxiii. MPR 296, on Flour from Wheat, Semolina, and Farina Sold by Millers and Blenders, issued January 2, 1943, effective January 4, 1943, 8 F.R. 158.
- xxxiv. MPR 299, on Sales by Canneries of Tuna, Bonito and Yellowtail, issued January 7, 1943, effective January 13, 1943, 8 F.R. 364.
- xxxv. Temporary MPR 25, on Corn, issued and effective January 13, 1943, 8 F.R. 567.
- xxxvi. MPR 303, on Frozen Canadian Smelts, issued January 15, 1943, effective January 21, 1943, 8 F.R. 619.

c. Tentative indications of the effectiveness of the food programs.

- i. After the Act of October 2, 1942, the rate of increase of cost-of-living items dropped to .47% per month.
- ii. Prior to the General Maximum Price Regulation the rate of increase had been as high as 3.6% per month.

d. Efforts to prevent indirect price increases resulting from quality deterioration.

- i. Requirement inserted in 27 of the dollars-and-cents MPR's that the commodity or its container shall indicate the quality or grade of the product.

e. Transportation and public utility problems.

- i. Monthly average of 600 notices of rate increases filed with the Branch.
- ii. Many proposed increases abandoned as a result of OPA negotiation, opposition, or other action.
- iii. Decreases obtained in some rates, including telephone calls.

3. Developments in the field of rationing.

a. New or revised programs.

- i. Controlled meats placed under a quota system by Restriction Order No. 1, issued and effective October 1, 1942, 7 F.R. 7839, as a joint order of the Secretary of Agriculture and the Price Administrator; the deadline for registration of slaughterers being set for November 1, 1942 (changed to November 15 by Amendment No. 1).
- ii. Fuel oil, under Ration Order No. 11, issued October 19, 1942, effective October 22, 1942, 7 F.R. 8480.

- iii. Tires, tubes, recapping and camelback, under Ration Order 1A, issued November 6, 1942, effective November 22, 1942, 7 F.R. 9160.
- iv. Gasoline, under Ration Order 5C, issued November 6, 1942, effective November 22, 1942 (changed to November 9 by Amendment No. 1), 7 F.R. 9135.
- v. Coffee, under Ration Order No. 12, issued November 20, 1942, effective November 21, 1942, 7 F.R. 9710.
- vi. Heating stoves, under Ration Order No. 9, issued and effective December 19, 1942, 7 F.R. 10720.
- vii. Special regulations for rationing of goods to institutional users, under General Ration Order No. 2, issued December 1, 1942, effective December 1, 1942, 7 F.R. 10070.

b. Inauguration of ration banking, under General Ration Order No. 3, issued January 4, 1943, effective January 27, 1943, 8 F.R. 865.

c. Preparations for introduction of point rationing.

i. Advance announcements.

ii. Receipt of monthly reports from processors and distributors covering receipts, inventories, and sales.

iii. Survey of consumers' food purchases.

d. Authorization of a registration of sellers in Puerto Rico, chiefly in anticipation of rationing, though partly also of price control, under General Order No. 41, issued and effective December 10, 1942, 7 F.R. 10414.

4. Enlargement of the rent program.

a. All remaining parts of continental United States, Alaska, and Puerto Rico designated for rent control.

b. Appropriations inadequate to extend actual regulation into some of the areas designated.

c. Amendments in effect practically eliminating fear of tenants about use of evictions as a landlord's method of raising rents; see also Eviction Regulation No. 1, issued November 5, 1942, effective November 6, 1942, 7 F.R. 9132 (revoked December 11, 1942, 7 F.R. 10448).

5. Legal staff, enforcement, and the courts.

a. Movement for simplification of regulations.

b. Debates on enforcement policies.

c. OPA in the courts.

6. Development of field operations.

a. District offices set up to supervise rationing activities of War Price and Rationing Boards.

- b. Volunteer workers recruited to assist members of the War Price and Rationing Boards.
 - c. Establishment of Plant Area Boards.
 - d. Appointment of volunteer distribution officers in areas not located near a local board.
 - e. Initiation of procedures permitting applicants to use the mail for making applications and receiving certificates.
 - f. Establishment of regional warehouses for distribution of supplies.
 - g. Installation of record-keeping systems for local board use.
 - h. Public information and consumer relations of the local boards; see Local Board Administrative Letter, Organization No. 4, issued November 2, 1942.
7. Organization changes in the National Office.
- a. Establishment of the Information Department, according to Administrative Order No. 35, Revised, issued October 5, 1942, including the following
 - i. Press and Campaigns Division
 - ii. Consumer Division.
 - b. The Coordinating Committee established, according to Administrative Order No. 60, issued October 17, 1942.
 - c. Establishment of the Administrative Management Department, according to Administrative Order No. 65, issued November 27, 1942, with Supp. No. December 21, 1942, and Administrative Order No. 65, Supp. No. 2; January 4, 1943, including the following:
 - i. Budget and Finance Division.
 - ii. Business Services Division
 - iii. Office for Local Board Operations.
 - iv. Organization Planning Division.
 - v. Personnel Division.
 - vi. Statistical Standards Office.
 - d. Functions of Professional Services Department defined in Administrative Order No. 67, issued December 14, 1942, including the following:
 - i. Accounting Division; see Operating Order No. 6, issued January 4, 1943.
 - ii. Research Division.
 - iii. Transportation and Public Utilities Division
 - iv. Standards Division.

- e. Establishment of Credit Policy Office, according to Administrative Order No. 17, Revised, issued December 19, 1942; see also E.O. 8843, issued August 9, 1941.
 - f. Establishment of Industry Council on new basis, according to Administrative Order No. 66, issued December 1, 1942.
 - g. Development of in-service training program, with the Personnel Training Branch established November 27, 1942, as part of the Personnel Division.
 - h. Transfer of the OPA Library from the Research Division to the Business Services Division, according to Administrative Order No. 9, Revised, issued December 23, 1942.
 - i. Its Archives Section designated to maintain liaison with the National Archives on problems of transfer of materials to the Archives.
8. Administrative problems.
- a. Delays in printing regulations and in getting them distributed.
 - b. Delays in informing local boards as to what OPA wanted them to do.
 - c. Messenger and mail room and telegraph delivery complaints.
 - d. Simplification of correspondence, according to Administrative Order No. issued November 3, 1942.
 - e. Multiplication of clearance functionaries with conflicting viewpoints.
 - f. Growth of authority of Statistical Standards Office, and its effect on OPA programs; under Federal Reports Act of 1942, approved December 24, 1942, Public 831, 77th Cong., 2nd Sess., C 811, 56 Stat. 1078.
 - g. Era of Administrative and Operating Orders and Staff and Divisional memoranda of great length and detail.
9. Employee relations.
- a. Effect of employment of masses of workers of various races.
 - b. Growth of United Federal Workers of America, of the Congress of Industrial Organizations.
 - c. Employee organization policy set forth in Administrative Order No. 13, Supp. No. 4, and in Field Administrative Letter No. 7, Rev., Supp. No. both issued October 26, 1942.
 - d. Employee recreational activities.
10. OPA personnel and effect of the draft; see Administrative Order No. 62, Revised, issued December 26, 1942, in conformity with the President's memorandum of November 17, 1942.
11. Development of powerful authorities with which OPA must collaborate.

- a. Establishment of Office of Economic Stabilization, according to E. O. 9250, issued October 3, 1942, 7 F.R. 7871.
 - i. Directive No. 1 of this Office delegates to OPA the authority as to common carrier and utility rates, issued and effective October 14, 1942, 7 F.R. 8757.
 - b. Establishment of Petroleum Administrator for War, according to E. O. 9276, issued December 2, 1942, 7 F.R. 10091 (superseding Office of Petroleum Coordinator established by letter of President on May 28, 1942).
 - c. War Food Administration, the Secretary of Agriculture being directed to take control of the Nation's Food Program, according to E. O. 9280 issued December 5, 1942, 7 F.R. 10179.
 - d. Food Administrator's powers (which had been extended by E. O. 9023, issued January 14, 1942, 7 F.R. 302) enlarged under E. O. 9280, issued December 5, 1942, 7 F.R. 10179.
- 12. Effect on OPA programs of military procurement policy, including use of gasoline.
 - 13. Trade and public attitude towards OPA program.
 - 14. 1942 fall elections.
 - a. Congressmen, influenced by the reaction of the public, led to blame Henderson and the OPA for their defeat.
 - b. Evaluation of explanations.
 - 15. Development of thought on price control and rationing outside OPA and abroad.

G. Recent OPA History, January 20, 1943 to July 1, 1947.

1. Confirmation of Senator Prentiss M. Brown as Price Administrator, January 18, 1943; sworn in on January 20, 1943.
2. Adoption of a policy of conciliation towards business.
 - a. Industry Advisory Committees to be set up "as a matter of administrative policy rather than as a grudging concession to the demands of industry," according to the covering memorandum of Procedural Regulation No. 13, issued June 7, 1943, effective June 12, 1943, 7 F.R. 7658; see also Operating Order No. 9, issued June 7, 1943.
 - b. Office of Administrative Hearings established under Administrative Order No. 75, issued February 6, 1943; see also Field Hearings Instruction No. 1, issued February 9, 1943, and, for the authority and functions of the Hearing Administrator and Hearing Commissioners General Order No. 46, issued February 6, 1943, effective February 15 1943, 8 F.R. 1771.
3. Price developments.
 - a. 112 MPR's (No. 305 - 416) and 7 Temporary MPR's (No. 26-32) issued.
 - b. Permanent freeze orders and formula-pricing orders generally supplanted by dollars-and-cents ceiling prices.
 - c. To prevent quality deterioration, "quality standards," including grade labeling, extended to 74 groups of commodities which were placed under dollars-and-cents ceilings, thus laying the ground for the ensuing struggle over grade labeling.
 - d. Retail stores classified into four groups.
 - e. Development of Community Ceiling Prices and plans for Price Panels.
 - f. Many attempted rate increases restrained by the Transportation and Public Utility Division.
 - i. Contract carriers under regulation by this division.
 - ii. Interstate Commerce Commission persuaded to suspend railroad freight rate increases until 1944, saving industry, commerce and agriculture \$350,000,000 per year.
 - g. Establishment of the Office of the War Goods Price Coordinator, in the Price Department, according to Administrative Order No. 77, issued February 22, 1943.
 - h. Abolition of the Retail Trade and Service Division and establishment of a Services and Consumer Durable Goods Division, including a Restaurant Branch, according to Administrative Order 78, issued March 6, 1943; revised May 18, 1943.

4. Rationing developments.

- a. Shoes rationed under Ration Order No. 17, issued and effective February 7, 1943, 8 F.R. 1749.
- b. Processed foods rationed under Ration Order No. 13, issued February 9, 1943, effective March 1 (certain sections February 21), 1943, 8 F.R. 1840.
- c. War Ration Book 2 distributed in accordance with General Ration Order No. 6, issued February 17, 1943, effective February 21, 1943, 8 F.R. 2190.
- d. Passenger automobiles of 1942, either new or used, and some of 1943 rationed under Ration Order No. 2 B, issued February 25, 1943, effective March 6, 1943, 8 F.R. 2487.
- e. Firewood rationed under Ration Order No. 14, issued February 27, 1943, effective March 1, 1943, 8 F.R. 2595.
- f. Method of surrender and deposit of ration stamps and coupons set up under General Ration Order No. 7, issued and effective March 5, 1943, 8 F.R. 2858.
- g. Meats, fats, fish, and cheeses rationed under Ration Order No. 16, issued March 20, 1943, effective March 29, 1943, 8 F.R. 3591.
- h. General prohibitions and penalties of rationing regulations established under General Ration Order No. 8, issued March 25, 1943, effective April 15, 1943, 8 F.R. 3783.
- i. The administration of Restriction Order No. 1, controlling meats, transferred to the Department of Agriculture by a joint order of the Secretary of Agriculture and the Price Administrator, issued March 31, 1943, effective April 1, 1943, 8 F.R. 4151.

5. Developments in the rent control program.

- a. Replacement of the numerous Maximum Rent Regulations by a single Rent Regulation for Housing and a single Rent Regulation for Hotels and Rooming Houses, each with a list of areas covered; issued May 1, 1943, effective June 1, 1943, 8 F.R. 7322 and 7334.

6. Activities of the Legal Department.

- a. Events leading to its reorganization, despite the natural desire of the department to retain coequal power with other departments.
 - i. Redefinition of the basic functions and internal organization of the Rent Legal Division, in the Legal Department, according to Administrative Order No. 76, issued February 6, 1943; also of the Enforcement Division, in the Legal Department, according to Administrative Order No. 64, Revised, issued February 27, 1943.

- ii. Delay in the effectuation of Administrative Order No. 79 and Operating Order No. 8, both issued April 2, 1943, according to which the necessary legal staff were intended to be, and in a subsequent period actually were, assigned to the various operating departments, divisions, or branches, or to the program-operating units in the field offices, and carried on their payrolls.
- iii. Affirmation of the continuing function, unaffected by the impending legal reorganization, of the Court Review, Research and Opinion Division, as responsible to the General Counsel and through him to the Price Administrator, according to Administrative Order No. 83, issued June 19, 1943.
- b. Development of comprehensive enforcement programs.
 - i. Coordinated price and rationing controls over the same commodity.
 - ii. Training of investigators improved, and powers of investigators to adjust minor violations enlarged.
 - iii. Restatement of procedures regarding witness fees and court expenses in Administrative Order No. 62, Revised, issued June 17, 1943.
 - iv. 26,729 persons investigated between February 1, 1943 and April 30, 1943, in regard to the meat black market; proceedings instituted against 782 defendants.
 - v. 204 actions instituted against violators of poultry price ceilings.
 - vi. Price surveys instituted in the food field, showing that the best compliance is under dollars-and-cents ceilings.
 - vii. One-third of manufacturers of women's and girls' outerwear found in violation of record-keeping requirements of MPR 287.
 - viii. Compliance found high under shoe rationing order.
 - ix. OPA inspectors ordered to be present at Spring auctions of farm machinery to prevent price evasions.
 - x. Many informal appearances in court by OPA attorneys to prevent unlawful evictions or evasions of the rent control regulations.
 - xi. Gasoline regulations ineffective in some areas, but enforcement procedures strengthened generally.
- c. Administrative and court actions.
 - i. From January to April of 1943, only 58 defendants were successful out of 1496 cases brought to trial.
 - ii. Administrative sanctions imposed upon 6,601 defendants between February 1 and May 1, 1943.

- iii. Supreme Court decision favorable in the case of *Lockerty v. Phillips*, May 10, 1943, 319 US 182, on the constitutionality of the provision in the Emergency Price Control Act restricting to the Emergency Court of Appeals the equity jurisdiction to enjoin enforcement of price regulations.

7. Consumer Division activities continued in the Information Department.

- a. Publicizing of the program of community ceiling prices.
- b. Educational programs regarding the OPA in schools and colleges.
- c. Abandonment of plans to assemble statistical data on civilian needs and to campaign for their fulfillment.

8. Establishment of the position of Historical Records Officer, in the Professional Services Department, according to Administrative Order No. 74, issued January 27, 1943.

9. Progress in the policy of decentralization of authority to the field.

- a. Authorization of the Director for Alaska and the Director for Hawaii to act for the Price Administrator, according to General Orders No. 47 and No. 48, issued and effective March 5, 1943, 8 F.R. 2898; also, for the adoption in Hawaii of the previous military system of price control, see General Order No. 49, issued and effective March 10, 1943, 8 F.R. 3076.
- b. Regional Administrators authorized to issue local freeze orders and maximum restaurant prices, under General Order 50, issued April 12, 1943, effective April 12, 1943, 8 F.R. 4808.
- c. Regional Administrators authorized to sub-delegate the power to fix community (dollars-and-cents) ceiling prices, under General Order 51, issued May 6, 1943, effective May 6, 1943, 8 F.R. 6008.
- d. Delegation of authority to administer oaths and authority to issue rent and price subpoenas and inspection requirements, according to General Order No. 52, issued and effective May 11, 1943, 8 F.R. 6199, and General Order No. 53, issued and effective June 29, 1943, 8 F.R. 9037.

10. Problems of absenteeism and employee morale.

- a. Effect of the draft and of the hearings of the Costello Committee.
- b. Employee Suggestion Program, established by Administrative Order No. 73, issued January 22, 1943.
- c. Revised statement as to hours of work and rates of pay for OPA employees, in Administrative Order No. 71, Revised, issued January 23, 1943.
- d. The Employee Services Section (which had developed out of the assignment, on December 24, 1941, of an individual to assist employees in finding housing accommodations) established in the Employee Relations Branch, under Administrative Order No. 65, Revised, issued January 26, 1943.
- e. Standards of fair employment practice ordered, in Administrative Order No. 13, Supp. No. 6, issued February 16, 1943.

- f. Establishment, in the National Office, of policy and procedure on employee grievances, in Administrative Order No. 13, Supp. No. 7, issued March 2, 1943.
- g. Establishment, in the National Office, of a Committee on Employee Investigations, in Administrative Order No. 13, 2nd Rev., Supp. No. 8, issued April 1, 1943.
- h. Report of special fact-finding committee investigating charges of race discrimination in the Printing and Distribution Branch, May 3, 1943.
- i. Explanation of the War Manpower Commission's policies and regulations on appointments, personnel actions and statements of availability, in Administrative Order No. 13, 2nd Rev., Supp. No. 9, issued June 18, 1943.

11. Personnel Changes.

- a. New personnel and their effect upon OPA policies.
 Senator Clyde Herring
 Lou R. Maxson
 George J. Burke
- b. Departure of old leaders.
 John E. Hamm
 David Ginsburg
 J. Kenneth Galbraith
- c. History of the Herring Committee and the Deacon Report.

12. Relations with other agencies.

- a. Close relations, through the Director of Economic Stabilization, with the Administrator of Food Production and Distribution, the National War Labor Board, the Commissioner of Internal Revenue, and the War Manpower Commission, according to the President's "hold the line" order, E.O. 9328, issued April 8, 1943, 8 F.R. 4681.
- b. Transfer from the Central Administrative Services of the Office of Emergency Management, to the Civil Service Commission, of all matters of OPA recruitment and personnel, and all OPA fiscal functions, by E.O. 9330, April 16, 1943, 8 F.R. 5129.
- c. Establishment, within the Department of the Interior, of a Solid Fuels Administrator for War, with whom the Price Administrator shall advise before establishing or altering any schedule of prices for solid fuels, according to E.O. 9332, issued April 19, 1943, 8 F.R. 5355.
- d. Establishment, within the Department of Agriculture of a centralized War Food Administration, taking over the functions of the Administrator of Food Production and Distribution, according to E. O. 9334, issued April 19, 1943, 8 F.R. 5423.
- e. Effect on OPA of the increase in the membership of the War Production Board, by the addition of the Chairman of the War Manpower Commission, the Director of the Office of Defense Transportation and the Petroleum Administrator for War, according to E.O. 9335, issued April 19, 1943, 8 F.R. 5425.

f. Establishment within the Office for Emergency Management of a centralized Office of War Mobilization, including in the membership of its directing committee the Chairman of the War Production Board and the Director of Economic Stabilization, according to E. O. 9347, issued May 27, 1943, 8 F.R. 7207.

g. Agencies consulted in establishing "quality standards".

National Bureau of Standards
Department of Agriculture
Food and Drug Administration
War Production Board
American Standards Association

13. OPA and Congress.

- a. Draft-dodging charges.
- b. Repeated investigations by Congressional Committees.
- c. Subpoenaing of files of OPA executives.
- d. Appropriation bills and other legislation affecting OPA.

14. OPA and the consumer.

- a. Contemporaneous thought and practice in consumer protection in the United States and abroad.

H. Trends, Situations, or Problems Not Limited to One Period.

I. General Policy Problems

1. Place of a general program of price control and rationing in an "all-out" war.
 - a. Timing.
 - i. Should it be immediately effective upon the outset of war?
 - ii. Should it be immediately abolished upon the establishment of peace?
 - b. Methods of correlating it with auxiliary economic programs.
 - i. Adjustments in the value of money.
 - ii. Taxation.
 - iii. Savings and bond purchases.
 - iv. Payment of debts and limitation of credit.
 - v. Control of wages.
 - vi. Control of farm and food prices.
 - c. Procedures for coordinating the buying programs of the Army, Navy, and Treasury Procurement with the general price control and rationing program.
 - d. Relative value of direct and indirect controls to maintain price stabilization and convert civilian plants to war production.
2. The liberal-conservative issue, or the question of "social gains."
 - a. To what extent should control over prices and scarce commodities be relaxed to avoid disturbance of established social patterns?
 - b. To what extent should controls be inaugurated in wartime to change what the officials may deem to be an undesirable economic or social practice?
 - c. Should the control program be pursued as an end in itself without conscious regard for its social effects?
 - d. Which OPA programs have had a wholesome effect and which ones a harmful effect on family life, social relationships, civilian morale, post-war attitudes, etc.?
 - e. Have any programs had such a deleterious effect on the conduct of the home front as to outweigh their contribution as an anti-inflation measure or war device?

3. Underlying purpose of price control and rationing.
 - a. Should the program aim at absolute success?
 - b. Should it be content with merely retarding a supposedly inevitable trend toward inflation?
4. A description of various types of price control mechanisms, including the reasons leading to the use of each, and a finding as to the most desirable type for varying conditions.
 - a. Selective vs. over-all controls.
 - b. Freezes vs. dollars-and-cents ceiling vs. formula ceiling.
 - c. Reliance upon requests, warnings, informal agreements.
 - d. Subsidies, government buying programs, quotas, incentive payments, Murray-Patman Act, etc.
 - e. Grade labeling, quality descriptions, simplification, and conservation.
5. Description and evaluation of the various methods of rationing.
 - a. Rationing as a war measure vs. rationing on the basis of need.
 - b. Selective distribution (on certificates, as in tires) vs. share-and-share-alike (on unit basis, as in sugar) vs. individual option (by points, as in canned goods).
 - c. Respective merits of ration stamps, coupons, tokens, distributive units as in England, etc.
 - d. Auxiliary devices, such as ration banking and restrictive orders.
6. Description and evaluation of the various methods of rent control.
 - a. Reasons for the use of the freeze technique in preference to cost calculations and profit margins.
 - i. The rents charged at the time of the chosen "base date" readily determinable in probably 80% of the cases.
 - ii. Records of investment and depreciation seldom available in the offices of rental agencies, which regularly conduct their business on a receipts-and-disbursements basis.
 - b. Reasons for excluding stores and business properties from rent control.
 - c. Operation by areas, with three stages prescribed by the basic statute.
 - i. Designation of a particular region as a "defense-rental area" in which rent inflation is actual or threatened.
 - ii. Declaration of the area as critical, naming a base date for determining fair rents, and allowing the state or local authorities 60 days in which to bring rents down.

- iii. Failing this, the imposition of Federal control, naming the maximum rent date and the date on which control becomes effective.
 - d. The problem of exceptions.
 - i. Rent control so tight that many landlords allege hardship because of increased costs of operation and maintenance.
 - ii. This squeeze at least partly offset by deterioration in maintenance and in service, by improvement in collections, and by nearly complete occupancy.
 - iii. Hardship cases not adjusted, as in commercial price control, on an individual basis.
 - iv. Specifically classified circumstances recognized in which a free-market determination of rents was precluded on the base date or reasonably near to it, so that adjustment becomes necessary for the whole class.
 - e. Devices to eliminate evasion.
 - i. Registration by landlords, with the knowledge and approval of tenants.
 - ii. Safeguards against fictitious sales designed to increase rents.
 - iii. Property alterations to be subject to review by OPA rent officials under direct delegation of authority from the Price Administrator.
 - iv. New dormitories or apartments usually publicly constructed, with the maximum rents specified in the contracts.
 - f. Gradual deterioration of properties and service, really constituting a concealed inflation of rental prices.
 - g. Proposals discussed, though not seriously entertained, to apply rationing to rents, i.e., to requisition rooms and billet war workers.
7. Description and evaluation of the various methods for control of transportation and public utility rates.
- a. Principles of rate control previously developed by governmental agencies and tested in the courts.
 - i. Reasonable return on original investment.
 - ii. Reasonable return on prudent investment.
 - iii. Reasonable return on current replacement valuation.
 - b. The OPA as a virtual consumer representative before rate-fixing bodies in cases of proposed increase.
 - c. Deterioration of service (e.g., in passenger travel) as a concealed method of rate increase.

- d. Monetary inflation as a concealed method of rate reduction.
- e. Proposals made, but not put into effect, to ration railroad travel, electricity, etc.

8. Description and evaluation of the various methods of enforcing or encouraging compliance.

a. Penalties and sanctions.

- i. Fines, including "contributions" to the U. S. Treasury.
- ii. Imprisonment.
- iii. Revocation of licenses and suspension of business.
- iv. Civil suits.
- v. Injunctions.

b. Educational appeals to wartime patriotism and moral sentiment.

- i. Press.
- ii. Pulpit and platform.
- iii. Radio.
- iv. Screen.

c. Enforcement and compliance machinery.

- i. Central place of the Legal Department, charged with criticizing major policies from the enforcement standpoint, seeking to write enforceable regulations, and providing counsel in all legal actions.
- ii. Limited staff of paid investigators.
- iii. Enlistment of volunteer inspectors and price panels in the local War Price and Rationing Boards.
- iv. Volunteer workers not used by Area Rent Offices.
- v. Violations of food regulations often reported by health departments, marketing inspectors, and local weights and measures officials.
- vi. Assistance from fire departments and building inspectors as to regulations on building materials.
- vii. Refusal of motor vehicle departments to register new automobiles without OPA certificates permitting purchase.
- viii. Data from tax departments made available to gasoline and fuel oil branches.

- ix. Statutes passed in Wisconsin, Rhode Island, New York, and Puerto Rico, and municipal ordinances passed in some 20 cities, making violation of OPA orders and regulations a misdemeanor and so enlisting in their enforcement the powers of state, county, and local governments.

II. Interrelationships Within and Without the Agency.

9. Fundamental administrative set-up.

- a. Should price control or rationing be governmentally administered or be left to private auspices?
- b. If governmentally administered, should it be by an executive or a legislative agency?
- c. To what extent should controls be exercised at the national level, be left to state and local governments, or be cooperated in by all?
- d. Should the administration of price control be separated from the administration of rationing, either in the same or in a different agency?
- e. Should rent control and rate control be separated from commodity price control?
- f. Should rationing of a given commodity be separated from control of supplies, as when the Petroleum Administrator for War allocates the total amount of gasoline available to civilians and OPA divides it up, or should rationing be under the control of the supply agency?
- g. Should all commodity price control be under one agency, or should it be distributed among the supply agencies?
- h. Should wage control be vested in a separate agency?
- i. Should control of farm and food prices be vested in a single agency or be administered, as now, partly by the OPA and partly by the Department of Agriculture?

10. Relations with other agencies.

- a. Efforts to avoid duplication of research, planning, and operational activities by OPA and other peace, war, and wartime agencies.
- b. Operating agencies, in addition to OPA, which have, or have had, considerable jurisdiction over automobiles, food, fuel, gasoline, rubber, or transportation equipment:

Bituminous Coal Commission
 Federal Trade Commission
 Interstate Commerce Commission
 Office of Defense Transportation
 Petroleum Administrator for War
 Public Roads Administration
 Rubber Director

U. S. Department of Agriculture
 U. S. Department of Commerce
 U. S. Department of Interior
 War Production Board Automotive Division
 War Production Board Conservation Division

c. Directive agencies performing or controlling special functions for other agencies:

Bureau of the Budget

- i. Estimates.
- ii. Management.
- iii. Statistical Standards.

National Archives

- i. Management and disposal of records.

Office for Emergency Management

- i. Various administrative services.

U. S. Civil Service Commission

- i. Recruitment.
- ii. Rating.
- iii. Leave.
- iv. Promotion.
- v. Retirement.

U. S. Department of Justice

- i. F. B. I. character investigations.

U. S. Department of Treasury

- i. Disbursement.
- ii. Procurement.

11. Relations with Congress.

- a. Control of OPA activities by legislation.
- b. Control of the scope of OPA operations by appropriations.
- c. Influence of Congressional investigating committees on policy and on management.

- d. Influence of Congressional criticism of OPA upon public opinion.
- e. Influence of the voting public upon OPA through Congressional elections.
- f. OPA efforts to improve relations with Congress.
 - i. Congressional Information Unit, to handle mail sent by Congressmen.
 - ii. Congressional Coordinating Committee, to handle requests for information to be sent to investigating committees.

12. Relations with the public.

- a. Need for two-way communication.
 - i. To impart information to the people about the OPA.
 - ii. To collect information for the use of the OPA.
- b. Magnitude of the problem.
 - i. Some OPA regulations concern all of the 134,000,000 members of the 30,000,000 families of the country.
 - ii. Retail regulations, such as the General Maximum Price Regulation, concern about 1,770,000 retail businesses, including:
 - 600,000 - food retailers
 - 50,000 - general merchandise stores
 - 106,000 - clothing stores
 - 52,000 - furniture, household and radio outlets
 - 241,000 - filling stations
 - 36,000 - lumber and building supply houses
 - 36,000 - hardware merchants
 - 135,000 - eating places
 - 98,000 - drinking places
 - 56,000 - drug stores
 - 12,000 - liquor stores
 - 140,000 - other stores
 - 22,550 - second-hand stores
 - 60,000 - auto dealers and merchants
 - iii. Special procedures also needed for communicating with:
 - Manufacturers and producers
 - Wholesalers and distributors
 - Labor groups
 - Consumer groups

- c. For a survey of publicity methods see Section 8, b and c, above.

- d. The dilemma of simple vs. complex regulations.
 - i. Simple regulations, easy to explain and easy to understand, but capable of providing only a rough justice.
 - ii. Complex regulations, hard to explain and hard to understand, but capable of providing refined adjustments in special cases.
- e. The problem of telling the public "the whole truth."
 - i. Not so much a moral question as a question of the degree of frankness expedient in given cases.
 - ii. General OPA policy of open regulations openly arrived at, by holding extensive advance consultations with industry.
 - iii. Special cases, such as shoe rationing, in which secrecy and surprise are essential.
 - iv. Occasional leaks of confidential information.
- f. The problem of assembling "all the facts" before taking action.
 - i. General OPA policy of gathering extensive social and economic data as a prerequisite to policy decisions.
 - ii. Numerous cases in which prompt action on partial information is better than delayed action with improved information.
 - iii. Practical impossibility of ever having absolutely perfect advance information.
 - iv. Cases in which pressure groups seek to give OPA biased or positively false data.

13. International relationships.

- a. Intergovernmental aspects of the existing war programs.
 - i. Consultations before Pearl Harbor, and cooperation since, of OPA and WPB with Canada's Wartime Prices and Trade Board.
 - ii. OPA control of export and import prices.
 - iii. Price policies of the Board of Economic Warfare, Lend-Lease, and related agencies.
- b. Intergovernmental aspects of some of the economic programs auxiliary to price control.
 - i. Proposed international currency.
 - ii. Reciprocal tariffs.
 - iii. International labor and wage policies.
- c. The dilemma of international cartels vs. some form of intergovernmental price control.

III. Management

14. Choice and training of personnel.

a. Selection of top personnel.

- i. "Young men of flexible minds" vs. "mature experienced men."
- ii. Professors vs. businessmen.
- iii. "Ability" or "vocation" as a test.

b. Value of in-service training.

- i. Need of giving supervisory training to scholars, experts, professional and business men of undoubted competence in special fields, but lacking supervisory experience.
- ii. Need of giving training to all in the objectives and policies of the organization.
- iii. When should special skills be taught?

c. Problems with which a mushrooming war agency will probably be confronted

- i. A considerable infusion of inferior personnel at the start.
- ii. Duplication of efforts and activities.
- iii. Overlapping of functions.
- iv. Frequent shifting of employees, desks, and furniture from room to room.
- v. Rapid turnover of employees.
- vi. Uncertainty of personnel requirements.
- vii. Overhiring.

15. Organization.

- a. Administrative implications of organizing OPA along functional lines (separate price, rent, and rationing departments) and of setting up professional skills as separate organizational units (information, legal, accounting, etc.)
- b. Problems of the delegation of responsibility and the creation of non-conflicting lines of authority between the proper heads in the national office and the responsible personnel in the field.
- c. To what extent are double or treble controls, or clearances, desirable
- d. How many departments may one executive efficiently control?
- e. How appraise the results of those operating programs having no precedent

f. How estimate the cost in dollars of each program and compare the cost of one operation with the cost of an alternative plan?

g. Correlation and efficient use of the many staff agencies, such as:

- Accounting
- Budget and Finance
- Congressional Information
- Credit Policy
- Employee Relations
- Employee Suggestions
- Historical Records
- Industry Council
- Information
- Labor
- Legal
- Library
- Organization Planning
- Ration Banking
- Research
- Standards
- Statistical Standards
- Training

h. Study of the use and effect of written instructions as a tool of management, as exemplified by the following series:

- Administrative Orders
- Divisional Orders
- Field Administrative Letters
- Field Hearing Instructions
- Field Legal Instructions
- Field Price Instructions
- Local Board Letters, Administrative
- Local Board Letters, Price
- Local Board Letters, Rationing
- Office Orders
- Operating Orders
- Staff Memoranda

i. Housekeeping problems.

- i. Securing necessary space.
- ii. How expand without moving desks and personnel?
- iii. How move personnel without changing telephones?
- iv. Securing of equipment, as desks, chairs, tables, files, book case typewriters, etc.
- v. Securing of supplies, as paper, ink, papers, magazines, books, et
- vi. Control of correspondence and organization of files.
- vii. Delivery and pick-up of mail.
- viii. Control of telegrams and long-distance telephone calls.

- ix. Methods of internal communication, including loose-leaf services.
- x. Printing and distribution of orders, explanations, and educational matter.
- xi. Preparation and preservation of records for operating uses, to enable programs to be followed consistently, and as archival material.

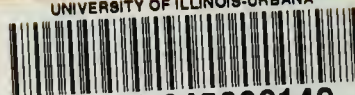
16. Problems of efficiency and morale.

- a. Promotion-from-within policies.
- b. Employee grievance committees.
- c. Efforts to stimulate loyalty and pride in the organization and in one's work.
- d. The extent, if any, to which the achievements of OPA are affected by fatigue, friction, and delays that result from such factors as:
 - i. Overcrowded and excessively noisy offices.
 - ii. Slow, overcrowded, and ill-ventilated transportation facilities.
 - iii. Inadequate, overcrowded, and sometimes insanitary housing accommodations.
 - iv. Eating in uncongenial surroundings after standing in line for many minutes.
 - v. Absence of reasonable outdoor, recreational, swimming, and social opportunities.
 - vi. Distance to office from barber and beauty shops, banks, cobblers, and other service agencies.
 - vii. Discrimination against women.
 - viii. Race discrimination.
 - ix. Union activities or hostility to unions.

IV. Miscellaneous

- 17. OPA wit, humor, and anecdote.
- 18. Glossary of OPA terms.
- 19. Alphabetical list of OPA officials.
- 20. Catalogue of OPA serial publications.

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